

**REPORT OF THE CONGRESS  
SMALL SAVINGS COMMITTEE**

**REPORT**  
OF THE  
**CONGRESS SMALL SAVINGS**  
**COMMITTEE**

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# ALL INDIA CONGRESS COMMITTEE

7, Jantar Mantar Road

NEW DELHI

21-5-56

Shri U.N. Dhebar,  
President, Indian National Congress,  
New Delhi.

My dear Dhebar Bhai,

I am submitting herewith the Report of the Small Savings Committee which was appointed by the Congress Working Committee at Amritsar on February 13, 1956.

The Committee held four meetings to discuss various aspects of Small Savings. It has been successful in receiving a number of replies from the Chief Ministers of States, Economists, Members of Parliament, Congress Committees and others. These have been given as appendices to the Report.

Printed copies of the Report will be available for members of the Working Committee and the All India Congress Committee on June 1, 1956, at Bombay.

Yours sincerely,

SHRIMAN NARAYAN

Convener

## INTRODUCTION

**Appointment of the Committee:** Realising the vital role of Small Savings in financing the Second Five-Year Plan, the Sixty-First Session of the Indian National Congress, held at Amritsar in February 1956, adopted the following resolution:

“The allocations proposed for the Second Five-Year Plan involve a total outlay of Rs. 4,800 crores. This is more than double the expenditure in the First Plan period which is estimated to be Rs. 2,120 crores. To raise these resources will demand a great effort on the part of the nation. Fresh taxation and large-scale borrowings by the Central and State Governments will be necessary. In particular, Small Savings by a very large number of people will have to play vital part. This is not only necessary from the point of view of raising money but also to make as large a number of our countrymen as possible, partners in this great undertaking.

“The Congress, therefore, appeals to the nation and, more particularly, to Congressmen, to help in the Campaign for Small Savings. Every Indian should participate to the extent of his capacity in this Campaign. Even small sums given by a very large number of people will total up to a great figure, covering the present gaps in our estimated resources. This will make the country feel confident and self-reliant.

“In addition to these savings, voluntary or compulsory, there is the large field of voluntary labour for carrying out many of the schemes in the Plan. Thus, every Indian can have a sense of personal participation in the building of new India.

“When there is this call for saving, any conspicuous and unnecessary spending is completely out of place and anti-social and must be discouraged. Every Indian must realise that, after fulfilling his essential needs, his first duty is to spend for India and not for himself. Investing in Government loans and Small Savings, he is not only participating in this great adventure but is doing good to himself and his family. The prosperity and well-being of India necessarily means higher standards and better living conditions and opportunities for all our people.”

This “Call for Saving” was immediately followed by the appointment of a Small Savings Committee by the Working Committee on February 13, 1956, at Amritsar. The Working Committee decided that in order to consider the resolution “Call for Saving” and to formulate schemes for its implementation, the under-mentioned persons will form a Committee, with powers to co-opt, and they will submit their preliminary report at the next meeting of the Working Committee:

1. Shri Govind Ballabh Pant
2. Shri Gulzarilal Nanda
3. Shri Jagjivan Ram
4. Smt. Indira Gandhi



5. Sardar Pratap Singh Kairon
6. Sardar Gurumukh Singh Musafir
7. Shri S.K. Patil
8. Shri Shriman Narayan (Convener)

**Co-option of New Members:** The first meeting of the Committee was held on February 22, 1956, at 7 p.m. at the residence of Pandit Govind Ballabh Pant. All the members of the Committee excepting Shri S.K. Patil attended. Dr. K. N. Katju and Shri Bhimsen Sachar were co-opted as members of the Committee.

**Questionnaire:** The Committee considered a draft questionnaire and discussed methods of mobilising savings. It was generally agreed that the existing Small Savings Schemes lacked a vigorous approach. The role of Insurance, Co-operatives, Panchayats and Post Offices in mobilising rural savings was emphasised and the need for a nation-wide Small Savings Campaign stressed. The Committee decided to send copies of the Questionnaire (see Appendix A) to State Governments, and Pradesh and District Congress Committees.

Copies of the Questionnaire were also sent to State Finance Ministers, Members of Parliament, and Heads of the Economics Departments of Indian Universities.

**Sittings of the Committee:** The second meeting of the Committee was held on March 28, 1956, at New Delhi at the residence of Pandit Govind Ballabh Pant. All the members of the Committee were present except Dr. K.N. Katju and Shri Bhimsen Sachar. Shri Arun Chandra Guha and Shri B.R. Bhagat attended the meeting by special invitation.

By this time the Secretariat had received a number of replies to its Questionnaire from Chief Ministers of States, Members of Parliament, Economists, etc., copies of which had been supplied to the members of the Committee. A note prepared by the Secretariat on the different points in the Questionnaire, in the light of replies received, was supplied to the members. The members expressed themselves on the different points of the Questionnaire and tentative decisions were reached on different aspects of Small Savings.

The third meeting of the Committee was held at the residence of Pandit Govind Ballabh Pant at New Delhi on May 10, 1956. The Committee had before it a draft Report prepared by the Secretariat. The Report was discussed and various suggestions were advanced for redrafting and altering it.

The Report, as altered and finally drafted, was placed before the fourth meeting of the Committee which met at the residence of Pandit Govind Ballabh Pant at New Delhi on May 21, 1956. The Report as finally drafted was signed by the members.

**Acknowledgement and Appreciation:** The Committee would like to place on record its sense of gratitude to the Chief Ministers of States who very promptly sent their detailed replies to its Questionnaire and also supplied valuable notes on the subject. The Committee is

also grateful to the various Economists, Members of Parliament, Congress Committees and others who sent their replies to the Questionnaire and furnished other valuable information and suggestions.

In the course of its deliberations, the Committee invited Shri Arun Chandra Guha and Shri B.R. Bhagat who helped the Committee by their suggestions. The Committee thanks them.

The Committee received a lot of material on the subject of Small Savings. The material was studied and collated by the Economic Research Department of the A.I.C.C. and then Shri Sunil Guha prepared a preliminary draft Report which was discussed by the Committee on May 11. In the light of suggestions advanced by the Committee, some chapters were rewritten as also the draft revised and altered by Shri H.D. Malaviya. The Committee places on record its sense of appreciation of the work of Shri Sunil Guha and Shri H.D. Malaviya.